

Senate File 2349

H-8303

1 Amend Senate File 2349, as passed by the Senate, as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. NEW SECTION. 505.20 Certain organizations
5 exempt from regulation.

6 1. A health benefit plan, sponsored by an eligible
7 organization domiciled in this state that meets the
8 requirements set forth in subsection 2, shall be deemed to
9 not be insurance pursuant to this subtitle and shall not be
10 subject to the jurisdiction of the commissioner of insurance
11 to the extent such health benefit plan, after January 1, 2019,
12 provides health benefits under a self-funded arrangement that
13 is administered by an eligible third-party administrator that
14 meets the requirements set forth in subsection 3.

15 2. An eligible organization providing a health benefit
16 plan to its members under this section shall meet all of the
17 following requirements:

18 a. Provide membership opportunities for eligible
19 individuals.

20 b. Collect annual dues from members.

21 c. Hold regular meetings to further the purposes of the
22 members.

23 d. Provide members with representation on the organization's
24 governing board and committees.

25 e. Provide education, mentoring, or financial assistance.

26 f. Contract with an eligible third-party administrator that
27 meets the requirements set forth in subsection 3 to administer
28 the health benefit plan. The contract with the eligible
29 third-party administrator shall provide that the eligible
30 third-party administrator shall not be responsible for paying
31 any claims under the health benefit plan that are not funded
32 by the eligible organization.

33 3. An eligible third-party administrator administering a
34 self-funded arrangement under this section shall meet all of
35 the following requirements:

1 a. Register as a third-party administrator pursuant to
2 chapter 510.

3 b. Offer individual health insurance products either
4 directly or through an affiliate organization.

5 4. Prior to providing a health benefit plan to its
6 members under this section an eligible organization shall
7 file a certification with the commissioner that the eligible
8 organization meets all requirements of this section.

9 5. The commissioner shall ensure expedited processing of
10 a third-party administrator registration pursuant to chapter
11 510 for a third-party administrator administering a self-funded
12 arrangement under this section.

13 Sec. 2. Section 507A.4, subsection 9, Code 2018, is amended
14 to read as follows:

15 9. a. Transactions involving a multiple employer welfare
16 arrangement, as defined in section 3 of the federal Employee
17 Retirement Income Security Act of 1974, 29 U.S.C. §1002,
18 paragraph 40, if the multiple employer welfare arrangement
19 meets all of the following conditions:

20 (1) The arrangement is administered by an authorized
21 insurer or an authorized third-party administrator.

22 ~~(2) The arrangement has been in existence and provided~~
23 ~~health insurance in Iowa for at least five years prior to July~~
24 ~~1, 1997.~~

25 ~~(3)~~ (2) The arrangement ~~was~~ is established by a trade,
26 industry, or professional association of employers that
27 has a constitution or bylaws, and ~~has been~~ is organized and
28 maintained in good faith ~~for at least ten continuous years~~
29 ~~prior to July 1, 1997~~ with membership stability as defined by
30 rules adopted by the commissioner.

31 ~~(4)~~ (3) The arrangement registers with and obtains
32 and maintains a certificate of registration issued by the
33 commissioner ~~of insurance.~~

34 ~~(5)~~ (4) The arrangement is subject to the jurisdiction
35 of the commissioner ~~of insurance, including regulatory~~

1 ~~oversight~~ and complies with all rules and solvency standards as
2 established ~~by rules adopted~~ by the commissioner of insurance
3 pursuant to [chapter 17A](#).

4 b. A multiple employer welfare arrangement ~~registered with~~
5 ~~the commissioner of insurance~~ that does not meet the solvency
6 ~~standards requirements~~ established by ~~rule adopted by the~~
7 commissioner of insurance is pursuant to chapter 17A shall be
8 subject to [chapter 507C](#).

9 c. A multiple employer welfare arrangement that is
10 recognized as tax-exempt under Internal Revenue Code section
11 501(c)(9) and that meets all of the conditions of paragraph "a"
12 shall not be considered any of the following:

13 (1) An insurance company or association of any kind or
14 character under [section 432.1](#).

15 (2) A member of the Iowa individual health benefit
16 reinsurance association under [section 513C.10](#).

17 (3) A member insurer of the Iowa life and health insurance
18 guaranty association under [section 508C.5, subsection 12](#).

19 d. A multiple employer welfare arrangement registered with
20 the commissioner of insurance shall file with the commissioner
21 of insurance on or before March 1 of each year a copy of the
22 report required to be filed by the multiple employer welfare
23 arrangement with the United States department of labor pursuant
24 to 29 C.F.R. §2520.101-2. A newly formed multiple employer
25 welfare arrangement shall file with the commissioner a copy
26 of the report required to be filed pursuant to 29 C.F.R.
27 §2520.101-2 by a newly formed multiple employer welfare
28 arrangement with the United States department of labor thirty
29 days prior to operating in any state. The copy shall be filed
30 with the commissioner within thirty calendar days of the date
31 that the multiple employer welfare arrangement files the report
32 with the United States department of labor.

33 e. ~~When not otherwise provided, a~~ A foreign or domestic
34 multiple employer welfare arrangement doing business in this
35 state shall pay ~~to the commissioner of insurance the fees~~

1 ~~as required in pursuant to~~ section 511.24 unless otherwise
2 provided by law.

3 Sec. 3. Section 509.1, Code 2018, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 8A. A policy of group health insurance
6 coverage issued to an associated health plan pursuant
7 to section 513D.1 that is subject to regulation by the
8 commissioner.

9 Sec. 4. Section 509.1, subsection 9, unnumbered paragraph
10 1, Code 2018, is amended to read as follows:

11 A policy issued to a resident of this state under a group
12 life, accident, or health insurance policy issued to a group
13 other than one described in subsections 1 through 8 8A, subject
14 to the following requirements:

15 Sec. 5. NEW SECTION. 513D.1 **Association health plans.**

16 The commissioner shall adopt rules that allow for the
17 creation of association health plans that are consistent with
18 the United States department of labor's regulations in 29
19 C.F.R. pt. 2510. A multiple employer welfare arrangement that
20 is recognized as tax-exempt under Internal Revenue Code section
21 501(c)(9) and that is registered with the commissioner prior
22 to January 1, 2018, shall not be considered an association
23 health plan unless the multiple employer welfare arrangement
24 affirmatively elects to be treated as an association health
25 plan.

26 Sec. 6. NEW SECTION. 513D.2 **Rules and enforcement.**

27 1. The commissioner shall adopt rules, as necessary,
28 pursuant to chapter 17A to administer this chapter.

29 2. The commissioner may take any enforcement action under
30 the commissioner's authority to enforce compliance with this
31 chapter.>

32 2. Title page, by striking lines 1 through 3 and inserting
33 <An Act relating to health plans established by associations of
34 employers or sponsored by certain organizations.>

35 3. By renumbering as necessary.

PETTENGILL of Benton